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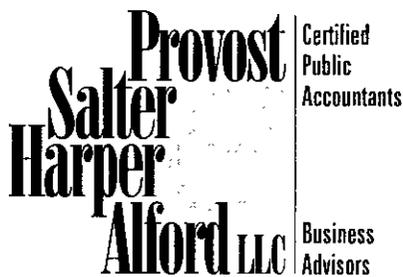
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**HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
FINANCIAL REPORT**

June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-2-05



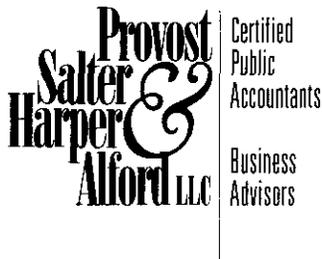
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HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

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June 30, 2004

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND THE SUPPLEMENTARY INFORMATION

Honorable Joe R. Salter, Speaker of the House of Representatives
State of Louisiana

We have audited the accompanying financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2004 as listed in the table of contents. These financial statements are the responsibility of the House's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the basic financial statements of the House of Representatives, State of Louisiana are intended to present the financial position and results of operations of only that portion of the reporting entity of the State of Louisiana.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the House of Representatives, State of Louisiana, as of June 30, 2004 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2004 on our consideration of the House of Representatives, State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

The Management's Discussion and Analysis and the other required supplementary information on pages 3 through 4 and 16, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the House of Representatives, State of Louisiana, taken as a whole. The schedule on pages 17 through 19 is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the House of Representatives. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

November 3, 2004

House of Representatives, State of Louisiana

Management's Discussion and Analysis

June 30, 2004

This section of the House of Representatives, State of Louisiana (House) annual financial report represents Management's analysis of the House's financial performance for the year ended June 30, 2004. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The House's net assets increased by \$856,250

The general revenues and transfers of the House were \$23,661,477

The expenses of the House were \$22,805,225

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements and Supplementary Information. The Financial Statements also include notes that provide more detail of the information included in the financial statements.

BASIC FINANCIAL STATEMENTS

The financial statements of the House report information about the House using accounting methods similar to those used by private sector companies. These statements offer financial information about the activities of the House.

The Statement of Net Assets and Governmental Fund Balance Sheet (p.5) presents the current and long-term portions of assets and liabilities separately.

The Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance (p.6) presents information on how the House's assets changed as a result of current period operations.

House of Representatives, State of Louisiana

Management's Discussion and Analysis

June 30, 2004

The following presents condensed financial information of the House:

Summary of Financial Position	June 30, 2004	June 30, 2003
Current assets	\$ 11,518,910	\$ 10,484,708
Capital assets	<u>79,337</u>	<u>98,841</u>
Total assets	<u>11,598,247</u>	<u>10,583,549</u>
Current liabilities	1,086,587	1,003,175
Long-term liabilities	<u>1,121,137</u>	<u>1,046,101</u>
Total liabilities	<u>2,207,724</u>	<u>2,049,276</u>
Invested in capital assets	79,337	98,841
Unrestricted	<u>9,311,186</u>	<u>8,435,432</u>
Total net assets	<u>\$ 9,390,523</u>	<u>\$ 8,534,273</u>
Summary of Revenues, Expenses and Changes in Net Assets	For the year ended June 30, 2004	For the year ended June 30, 2003
General revenues and transfers	\$ 23,661,475	\$ 24,362,870
Expenses	<u>22,805,225</u>	<u>22,339,939</u>
Change in net assets	<u>\$ 856,250</u>	<u>\$ 2,022,931</u>

BUDGET ANALYSIS

A comparison of budget to actual operations is a required supplementary statement and is presented in Statement C on page 16. Total expenditures were \$503,186 below budgeted amounts. This is a result of efforts made by the House to decrease overall spending.

CONTACTING THE HOUSE'S MANAGEMENT

This financial report is designed to provide a general overview of the House finances and to demonstrate the House's accountability for the money it receives. If you have any questions about this report or need additional information, contact the House of Representatives, State of Louisiana, P.O. Box 94062, Baton Rouge, Louisiana, 70804.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Statement of Net Assets and Governmental Fund Balance Sheet

June 30, 2004

ASSETS	General Fund	Adjustments	*	Statement of Net Assets
Cash and cash equivalents	\$ 11,356,780	\$ -		\$ 11,356,780
Due from other legislative agencies	104,589	-		104,589
Promotional inventory	57,541	-		57,541
Furniture and equipment (net of allowance for depreciation)	-	79,337	(1)	79,337
Total Assets	\$ 11,518,910	\$ 79,337		\$ 11,598,247
LIABILITIES AND FUND BALANCE/NET ASSETS				
Liabilities				
Accounts payable	\$ 192,061	\$ -		\$ 192,061
Employee benefits payable	235,734	-		235,734
Salaries payable	658,792	-		658,792
Compensated absences	-	1,121,137	(2)	1,121,137
Total liabilities	1,086,587	1,121,137		2,207,724
Fund Balance/Net Assets				
Reserved for encumbrances	2,953,986	(2,953,986)		-
Unreserved, undesignated	7,478,337	(7,478,337)		-
Total fund balance	10,432,323	(10,432,323)		-
Total Liabilities and Fund Balance	\$ 11,518,910			
Net Assets:				
Investment in capital assets		79,337		79,337
Unrestricted		9,311,186		9,311,186
Total Net Assets		\$ 9,390,523		\$ 9,390,523

*** Explanations**

- (1) Capital assets, including depreciation are recorded on the statement of net assets, but not within the fund statements of the General Fund.
- (2) Long-term liabilities, such as compensated absences are recorded on the statement of net assets, but not within the fund statements of the General Fund.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

*Statement of Activities and Governmental Fund Revenues,
Expenditures and Changes in Fund Balance*

Year Ended June 30, 2004

	General Fund	Adjustments	*	Statement of Activities
Expenditures/Expenses:				
Personal services	\$ 19,308,301	\$ 75,036	(1)	\$ 19,383,337
Travel	420,742	-		420,742
Supplies	294,076	-		294,076
Telephone, utilities and building	677,821	-		677,821
Dues and subscriptions	17,993	-		17,993
Printing	268,050	-		268,050
Office expense and maintenance	1,298,907	-		1,298,907
Other fees and services	46,949	-		46,949
Capital outlay	377,846	(28,698)	(2)	349,148
Depreciation	-	48,202	(2)	48,202
Total expenditures/expenses	<u>22,710,685</u>	<u>94,540</u>		<u>22,805,225</u>
General Revenues:				
State appropriation	23,683,142	-		23,683,142
Interest	128,934	-		128,934
Other	136,420	-		136,420
Total general revenues	<u>23,948,496</u>	<u>-</u>		<u>23,948,496</u>
Other Financing Sources (Uses)				
Transfers In	487,979	-		487,979
Transfers Out	(775,000)	-		(775,000)
Excess of General Revenues and Transfers In				
Over Expenditures/Expenses	950,790	(950,790)		-
Change in net assets	-	856,250		856,250
Fund Balance				
Beginning	9,481,533	(947,260)		8,534,273
Ending	<u>\$ 10,432,323</u>	<u>\$ (1,041,800)</u>		<u>\$ 9,390,523</u>

*** Explanation:**

- (1) Change in long-term obligation for compensated absences
- (2) Reclassify furniture and equipment purchases and record depreciation

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements

June 30, 2004

1. Summary of Significant Accounting Policies

The House of Representatives is a part of the Legislative branch of government operating under Article III of the 1974 Louisiana Constitution.

Governmental accounting principles and practices are promulgated and established by the Governmental Accounting Standards Board (GASB). The GASB has issued a *Codification of Governmental Accounting and Financial Reporting Standards*. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such pronouncements.

The following is a summary of the more significant accounting policies:

Financial Reporting Entity. Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the House of Representatives, State of Louisiana) to be the State of Louisiana. The accompanying financial statements of the House of Representatives contain sub-account information of the General Fund and account groups of the State of Louisiana. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

Fund Accounting. The House of Representatives uses fund accounting (separate sets of self-balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The House of Representatives has only a general fund, which is used to account for all of the House of Representatives' general activities, including the acquisition of general fixed assets. It is used to account for all activities of the House of Representatives.

Basis of Accounting. Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

In accordance with *Statement of Governmental Accounting Standard 34*, the House of Representatives presents a Statement of Net Assets and Statement of Activities. These statements reflect entity-wide operations of the House of Representatives. The House of Representatives has no fiduciary funds or component units. The House of Representatives has only a General Fund, supported by an appropriation from the State of Louisiana and self-generated funds.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements

June 30, 2004

Within the accompanying statements, the General Fund column of the Statement of Net Assets and the Statement of Activities reports all activities of the House of Representatives using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Management considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Using this methodology, the legislative appropriation is recorded during the year, and for the year, the appropriation is made, and interest and other revenues are recorded when earned. Expenditures are recorded when a liability is incurred, as in accrual accounting. However, compensated absences are recorded when paid.

The General Fund column is adjusted to create a Statement of Net Assets and Statement of Activities. Within this column, amounts are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Budgets and Budgetary Accounting. The House of Representatives, State of Louisiana is required to submit to the Legislative Budgetary Control Council an estimate of the financial requirements for the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for his signature. The House is authorized to transfer budget amounts between accounts in the general fund. Revisions, which alter total appropriations, must be approved by the Legislature. The level of budgetary responsibility is by total appropriation. All annual appropriations lapse at fiscal year end, and require that any amounts not expended or encumbered at the close of the fiscal year be returned to the State General Fund unless otherwise reappropriated by subsequent legislative action. Current appropriation legislation authorizes such reappropriation of prior year funds.

The budget for the General Fund is prepared on the budgetary (legal) basis of accounting. In compliance with budgetary authorization, the House of Representatives includes the prior year's fund balance represented by appropriated liquid assets remaining in the fund as a budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior period's excess of revenues over expenditures.

Promotional Inventory. The House maintains an inventory of promotional items, which are available for sale to the general public in the interest of promoting the State of Louisiana and the Legislature. Inventory items are recorded at the lower of cost or market on a first-in, first-out basis.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 2004

Encumbrances. Encumbrances are recorded when purchase orders, contracts, commitments, and other intentions to commitment funds for expenditure of moneys are recorded but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance on the balance sheet. Encumbrances do not lapse at the close of the fiscal year but are carried forward as reserved fund balance until liquidated. Encumbrances are an allowable charge against the current year appropriation.

Leave Benefits. The long-term obligation of accumulated unpaid annual, sick and compensatory leave is recorded in the Statement of Net Assets and Statement of Activities. The House's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the House's personnel manual. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave are credited as earned service in computing retirement benefits.

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per work week. The compensatory leave may be used similarly to annual or sick leave. At June 30, 2004 compensatory leave of up to 360 hours, for which employees could be paid upon resignation or retirement, and compensatory leave, computed in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards* Section C60.105, total \$1,121,137.

The following are the changes in compensated absences (general long-term obligations) during the period:

Balance July 1, 2003	Net Change	Balance June 30, 2004
\$ 1,046,101	\$ 75,036	\$ 1,121,137

The additions and reductions to compensated absences during the 2003-2004 fiscal year represent the net change during the year because the additions and deductions could not be readily determined.

Post Retirement Benefits. The House of Representatives, State of Louisiana provides certain health care and life insurance benefits for retired employees. Substantially all of the House of Representatives' employees may become eligible for those benefits if they reach normal retirement age while working for the House. These benefits for retirees and similar benefits for active employees are provided through the State's Group Benefits Program whose monthly premiums are paid jointly by the employee and the House of Representatives. The House recognizes the cost of

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 2004

providing these benefits as an expenditure in the year paid. For the year ended June 30, 2004, those costs totaled \$290,004 which covered 63 retired employees, funded through the legislative appropriation. Retirees pay a portion of the cost of their benefits.

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2. Deposits in Banks

Cash and cash equivalents consist of demand deposits and certificates of deposits with maturities of three months or less.

Under State law, the House of Representatives may deposit funds in an approved bank located in this State selected by the presiding officer of the House of Representatives. These public deposits must be secured by federal deposit insurance or pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent in a holding or custodial bank (category 3). The bank deposits at June 30, 2004 are as follows:

	Carrying Balance	Bank Balance	FDIC Insurance	Pledged Collateral
Cash in Bank	\$ 4,990,318	\$ 5,603,049	\$ 100,000	\$ 5,503,049
Certificates of Deposit	<u>6,366,462</u>	<u>6,366,462</u>	-	<u>6,366,462</u>
Total	<u>\$ 11,356,780</u>	<u>\$ 11,969,511</u>	<u>\$ 100,000</u>	<u>\$ 11,869,511</u>

3. Furniture and Equipment

The accompanying statements reflect furniture and equipment used by the Louisiana House of Representatives, and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost. Furniture and equipment with acquisition costs of \$5,000 or greater are capitalized and depreciated as follows:

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 2004

<u>Assets of \$5,000 or Greater</u>	<u>Cost</u>	<u>Allowance for Depreciation</u>	<u>Net Book Value</u>
Balance, July 1, 2003	\$ 861,979	\$ (763,138)	\$ 98,841
Acquisitions	28,698	-	28,698
Depreciation	-	(48,202)	(48,202)
Balance June 30, 2004	<u>\$ 890,677</u>	<u>\$ 811,340</u>	<u>\$ 79,337</u>

The depreciable assets are depreciated using the straight-line method of allocating costs over the following useful lives:

Computer Equipment	5 years
Office Furniture	10 years
Vehicles	5 years
Office Machinery and Equipment	6 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The accompanying statements do not include the value of land and buildings provided without cost to the House of Representatives by the State of Louisiana. Those assets are recorded with the annual financial statements of the State of Louisiana.

4. Retirement System

Plan Description. Substantially all employees and members of the House of Representatives participate in the Louisiana State Employee's Retirement System (LASERS) or the Teacher's Retirement System of Louisiana (TRS), both of which are cost sharing, multiple-employer defined benefit pension plans administered by a separate Board of Trustees. The plans provide retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. Benefits are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. LASERS and TRS issue publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (225) 922-0600; or by writing to Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana, 70804-9123, or by calling (225) 925-6446.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 2004

Funding Policy. Plan members of the House of Representatives are required by state statute to contribute 7½%, 8%, 9½% or 11½% of their annual covered salary to LASERS and TRS, respectively and the House of Representatives (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 15.8% and 13.8% of annual covered payroll for LASERS and TRS, respectively. The contribution requirements of plan members and the employer are established by, and amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is funded by the State of Louisiana through the annual legislative appropriation. The House of Representatives' employer contributions to LASERS and TRS for the years ending June 30, 2004, 2003, and 2002, which were equal to the required contributions for each year, were as follows:

<u>Period Ending</u>	<u>LASERS</u>	<u>TRS</u>	<u>Total</u>
June 30, 2004	\$ 1,565,034	\$ 8,768	\$ 1,573,802
June 30, 2003	1,422,530	10,024	1,432,554
June 30, 2002	1,297,888	15,800	1,313,688

5. Lease Agreements

The House of Representatives has operating leases for computer and office equipment on a month-to-month, as needed, basis.

These lease agreements have nonappropriation exculpatory clauses that allow for lease cancellation if the Louisiana Legislature does not make an appropriation for their continuation during any future fiscal period. Rental and lease expenditures totaled \$165,105 for the year ended June 30, 2004.

6. Transfers

Amounts received from other governmental units for the year ended June 30, 2004 consist of the following:

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 2004

	Office Operations	Capital Outlay	Personal Services	Total
Legislative Budgetary Control Council	\$ 105,755	\$ 216,260	\$ -	\$ 322,015
Other agencies	<u>47,761</u>	<u>-</u>	<u>118,203</u>	<u>165,964</u>
	<u>\$ 153,516</u>	<u>\$ 216,260</u>	<u>\$ 118,203</u>	<u>\$ 487,979</u>

Due from other legislative agencies at year-end consist of \$89,279 due from the Legislative Budgetary Control Council and \$15,310 due from other agencies.

Amounts transferred out to other governmental units for the year ended June 30, 2004 consist of the following:

Department of Treasury, for Appropriation LA State Police	<u>\$ 650,000</u>
Division of Administration – Office of Finance and Support	<u>125,000</u>
	<u>\$ 775,000</u>

7. Other Costs

The State of Louisiana, through other appropriations, provides office space, utilities and janitorial services for the office facilities, all of which are not included in the accompanying financial statements.

8. Litigation, Claims, and Similar Contingencies

Losses arising from litigation, claims and similar contingencies are considered state liabilities and are paid by special appropriations made by the Louisiana Legislature. Any applicable litigation, claims, and similar contingencies are not recognized in the accompanying financial statements.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 2004

9. Reconciliation

The Statement of Net Assets and Statement of Activities present the House of Representatives' fund balance/net assets from a fund perspective and an entity-wide perspective, using the current financial resources focus for the fund balance and the economic resources measurement focus for net assets. The amounts are reconciled as follows:

Fund Balance, June 30, 2004	\$ 10,432,323
Furniture and equipment	79,337
Compensated absences	<u>(1,121,137)</u>
Net Assets, June 30, 2004	<u>\$ 9,390,523</u>

10. Fund Equity

Designations of fund balance represent tentative management plans that are subject to change. Encumbrances outstanding at year-end represent the estimated amount the House intends to use for capital asset acquisitions.

11. Risk Management

The House of Representatives limits its exposure to risk of loss through the Office of Risk Management, a state wide insurance program. Through the payment of premiums to the program, the House of Representatives transfers the risk of loss from theft, torts, damage to and destruction of assets, workers' compensation, errors and omissions, and natural disasters.

12. Appropriation Receivable

The amount due from the State treasury and appropriation revenues collected are summarized as follows:

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 2004

	Total Appropriation Authorized	Funds Collected As Of June 30, 2004	Amount Due From State Treasury As Of June 30, 2004
Act 64 of 2003 Regular Session	<u>\$ 23,683,142</u>	<u>\$ 23,683,142</u>	<u>\$ -</u>

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Legal Basis) and Actual
General Fund*

Year Ended June 30, 2004

	Budgeted Amounts		Actual	Budget to	Actual
	Original	Final		Differences	
				Over (Under) *	GAAP Basis
Revenues					
State appropriation	\$ 23,683,142	\$ 23,683,142	\$ 23,683,142	\$ -	\$ 23,683,142
Interest	-	-	128,934	-	128,934
Other	-	-	136,420	-	136,420
Reappropriated fund balance (1)	7,175,222	7,175,222	7,175,222	(7,175,222) (1)	-
Total revenues	<u>30,858,364</u>	<u>30,858,364</u>	<u>31,123,718</u>	<u>(7,175,222)</u>	<u>23,948,496</u>
Expenditures and Encumbrances					
Personal services	19,542,200	19,542,200	19,152,657	230,680 (2)	19,383,337
Travel	613,200	613,200	420,742	-	420,742
Supplies	524,100	524,100	294,076	-	294,076
Telephone, utilities and building	945,100	945,100	677,821	-	677,821
Dues and subscriptions	19,250	19,250	17,993	-	17,993
Printing	390,000	390,000	268,050	-	268,050
Office expense and maintenance	832,177	832,177	1,298,907	-	1,298,907
Other fees and services	57,000	57,000	46,949	-	46,949
Capital outlay	135,200	135,200	377,846	(28,698) (3)	349,148
Depreciation	-	-	-	48,202 (3)	48,202
Total expenditures and encumbrances	<u>23,058,227</u>	<u>23,058,227</u>	<u>22,555,041</u>	<u>250,184</u>	<u>22,805,225</u>
Excess of Revenues Over Expenditures and Encumbrances	7,800,137	7,800,137	8,568,677	(7,425,406)	1,143,271
Other Financing Sources (Uses)					
Interagency transfers in	-	-	487,979	-	487,979
Interagency transfers out	(650,000)	(650,000)	(775,000)	-	(775,000)
Excess of Revenues Over Expenditures, Encumbrances and Other Financing Sources	7,150,137	7,150,137	8,281,656	(7,425,406)	856,250
Fund Balance					
Beginning	7,175,222	7,175,222	7,175,222	1,359,051 (4)	8,534,273
Less reappropriated fund balance (1)	(7,175,222)	(7,175,222)	(7,175,222)	7,175,222 (1)	-
Ending	<u>\$ 7,150,137</u>	<u>\$ 7,150,137</u>	<u>\$ 8,281,656</u>	<u>\$ 1,108,867</u>	<u>\$ 9,390,523</u>

*** Explanation:**

(1) Budgets include reappropriated fund balances carried over from prior years to cover expenditures of the current year. This amount is not revenue of the current period, but is presented as revenue only for budgetary purposes. Beginning budgetary fund balances have been reduced by the carryover to reflect the budgetary ending fund balance projected.

(2) Compensated absences and salaries are budgeted on a modified accrual basis. Under generally accepted accounting principles these costs are recognized when the benefit is earned.

(3) Capital assets are recognized for budget purposes when purchased. Under generally accepted accounting principles, such capital assets are recognized as long-lived assets and depreciation is recognized over the life of the assets, as well as any loss on disposal.

(4) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the House's budget. This amount differs from the fund balance reported in the statement of revenues, expenditures, and changes in fund balance because of the cumulative effect of transactions such as those described above.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Schedule of Legislators' Per Diem and Other Compensation

Year Ended June 30, 2004

Legislator	Total	Session		Special Session		Interim Per Diem		Salary and Expense Allowance
		Days	Amount	Days	Amount	Days	Amount	
Alario, John A.	\$ 51,614	86	\$ 10,406	11	\$ 1,331	34	\$ 3,981	\$ 35,896
Alexander, Ernest J.	36,465	86	10,406	11	1,331	16	1,928	22,800
Ansardi, Glenn	38,757	86	10,406	11	1,331	35	4,220	22,800
Arnold, Jeffrey	35,862	86	10,406	11	1,331	11	1,325	22,800
Badon, Austin, Jr.	22,583	86	10,406	11	1,331	1	121	10,725
Baldone, Damon J.	36,103	86	10,406	11	1,331	13	1,566	22,800
Baudoin, Clara G.	35,988	86	10,406	11	1,331	12	1,451	22,800
Baylor, Ernest, Jr.	36,231	86	10,406	11	1,331	14	1,694	22,800
Beard, Gary	36,108	86	10,406	11	1,331	13	1,571	22,800
Bowler, Shirley D.	38,038	86	10,406	11	1,331	29	3,501	22,800
Broome, Sharon Weston	40,693	86	10,406	11	1,331	21	2,534	26,422
Bruce, Beverly G.	36,710	86	10,406	11	1,331	18	2,173	22,800
Bruneau, Charles E.	40,062	86	10,406	11	1,331	12	1,448	26,877
Burns, Timothy "Tim" G.	22,825	86	10,406	11	1,331	3	363	10,725
Burrell, Roy Allen	22,462	86	10,406	11	1,331	-	-	10,725
Capella, Thomas	11,888	-	-	-	-	1	121	11,767
Carter, Karen R.	36,231	86	10,406	11	1,331	14	1,694	22,800
Carter, Robert J.	34,658	86	10,406	11	1,331	1	121	22,800
Cazayoux, Donald J., Jr.	36,591	86	10,406	11	1,331	17	2,054	22,800
Crane, Carl N.	31,930	86	10,406	11	1,331	7	571	19,622
Crowe, A.G.	35,503	86	10,406	11	1,331	8	966	22,800
Curtis, Israel B.	36,708	86	10,406	11	1,331	18	2,171	22,800
Damico, Nuncio J.	36,344	86	10,406	11	1,331	15	1,807	22,800
Daniel, William B., IV.	35,986	86	10,406	11	1,331	12	1,449	22,800
Dartez, Carla Blanchard	35,867	86	10,406	11	1,331	11	1,330	22,800
Devillier, Emma J.	12,195	-	-	-	-	1	121	12,074
Dewitt, Charles W.	68,019	86	10,406	11	1,331	167	20,137	36,145
Diez, John C.	13,277	-	-	-	-	10	1,203	12,074
Doerge, Jean M.	34,779	86	10,406	11	1,331	2	242	22,800
Dorsey, Yvonne	37,193	86	10,406	11	1,331	22	2,656	22,800
Dove, Gordon E. "Gordie", Sr.	23,309	86	10,406	11	1,331	7	847	10,725
Downer, H. B., Jr.	13,042	-	-	-	-	8	968	12,074
Downs, Hollis H.	35,263	86	10,406	11	1,331	6	726	22,800
Durand, Sydney M.	40,449	86	10,406	11	1,331	49	5,912	22,800
Erdey, Dale M.	35,747	86	10,406	11	1,331	10	1,210	22,800
Fannin, James R. "Jim"	36,110	86	10,406	11	1,331	13	1,573	22,800
Farrar, Rick L.	35,020	86	10,406	11	1,331	4	483	22,800
Faucheux, Robert R., Jr.	36,341	86	10,406	11	1,331	15	1,804	22,800
Flavin, Daniel T.	35,862	86	10,406	11	1,331	11	1,325	22,800
Frith, Lloyd, Jr.	36,347	86	10,406	11	1,331	15	1,810	22,800
Fruge', Gregory L.	13,160	-	-	-	-	9	1,086	12,074
Futrell, Mike	35,262	86	10,406	11	1,331	6	725	22,800
Gallot, Richard J., Jr.	35,262	86	10,406	11	1,331	6	725	22,800
Geymann, Brett Frank	22,583	86	10,406	11	1,331	1	121	10,725
Glover, Cedric B.	35,989	86	10,406	11	1,331	12	1,452	22,800
Gray, Cheryl A.	23,551	86	10,406	11	1,331	9	1,089	10,725
Green, Kyle M.	12,195	-	-	-	-	1	121	12,074

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Schedule of Legislators' Per Diem and Other Compensation,
Continued

Year Ended June 30, 2004

Legislator	Total	Session		Special Session		Interim Per Diem		Salary and
		Days	Amount	Days	Amount	Days	Amount	Expense Allowance
Guillory, Elcie J.	\$ 37,555	86	\$ 10,406	11	\$ 1,331	25	\$ 3,018	\$ 22,800
Guillory, Mickey J.	23,430	86	10,406	11	1,331	8	968	10,725
Hammett, Bryant O., Jr.	37,196	86	10,406	11	1,331	22	2,659	22,800
Heaton, Alex M.	34,899	86	10,406	11	1,331	3	362	22,800
Hebert, Troy M.	36,352	86	10,406	11	1,331	15	1,815	22,800
Hill, Herman R.	35,384	86	10,406	11	1,331	7	847	22,800
Honey, Avon	36,826	86	10,406	11	1,331	19	2,289	22,800
Hopkins, Roy	38,281	86	10,406	11	1,331	31	3,744	22,800
Hudson, Charles I.	32,320	41	4,961	11	1,331	55	6,599	19,429
Hunter, Willie, Jr.	35,989	86	10,406	11	1,331	12	1,452	22,800
Hutter, Nita R.	34,900	86	10,406	11	1,331	3	363	22,800
Iles, Kay C.	12,437	-	-	-	-	3	363	12,074
Jackson, Lydia Patrice	13,157	-	-	-	-	9	1,083	12,074
Jackson, Michael L.	35,503	86	10,406	11	1,331	8	966	22,800
Jefferson-Bullock, Jajila	22,825	86	10,406	11	1,331	3	363	10,725
Johns, Ronald	35,503	86	10,406	11	1,331	8	966	22,800
Katz, Kay Kellogg	34,900	86	10,406	11	1,331	3	363	22,800
Kennard, Donald R.	34,778	86	10,406	11	1,331	2	241	22,800
Kenney, Lelon L.	35,503	86	10,406	11	1,331	8	966	22,800
La Fleur, Kenneth Eric	36,107	86	10,406	11	1,331	13	1,570	22,800
Labruzzo, John	22,462	86	10,406	11	1,331	-	-	10,725
Lambert, Eddie J.	23,188	86	10,406	11	1,331	6	726	10,725
Lancaster, Charles D.	37,673	86	10,406	11	1,331	26	3,136	22,800
Landrien, Mitchell	12,074	-	-	-	-	-	-	12,074
LeBlanc, Jerry L.	28,602	1	121	-	-	12	1,443	27,038
Lucas, Leonard, Jr.	12,074	-	-	-	-	-	-	12,074
Marchand, Charmaine L.	23,067	86	10,406	11	1,331	5	605	10,725
Martiny, Daniel R.	35,745	86	10,406	11	1,331	10	1,208	22,800
McDonald, Charles R.	37,314	86	10,406	11	1,331	23	2,777	22,800
McVea, Thomas H.	35,624	86	10,406	11	1,331	9	1,087	22,800
Montgomery, Billy W.	35,624	86	10,406	11	1,331	9	1,087	22,800
Morrell, Arthur A.	38,395	86	10,406	11	1,331	32	3,858	22,800
Morrish, Dan W.	35,865	86	10,406	11	1,331	11	1,328	22,800
Murray, Edwin R.	40,212	86	10,406	11	1,331	47	5,675	22,800
Nevers, Ben Wayne	13,039	-	-	-	-	8	965	12,074
Odinet, Kenneth L., Sr.	36,344	86	10,406	11	1,331	15	1,807	22,800
Perkins, Anthony R.	12,074	-	-	-	-	-	-	12,074
Psychaud, Rosalind	12,194	-	-	-	-	1	120	12,074
Pierre, Wilfred	38,276	86	10,406	11	1,331	31	3,739	22,800
Pinac, Gil	37,560	86	10,406	11	1,331	25	3,023	22,800
Pitre, Loulan, Jr.	35,381	86	10,406	11	1,331	7	844	22,800
Powell, Michael E, III.	22,946	86	10,406	11	1,331	4	484	10,725
Powell, Henry, Sr.	36,230	86	10,406	11	1,331	14	1,693	22,800
Quezaire, Roy, Jr.	35,382	86	10,406	11	1,331	7	845	22,800
Richmond, Cedric L.	35,626	86	10,406	11	1,331	9	1,089	22,800
Ritchie, Harold L.	22,704	86	10,406	11	1,331	2	242	10,725

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Schedule of Legislators' Per Diem and Other Compensation,

Year Ended June 30, 2004

Continued

Legislator	Total	Session		Special Session		Interim Per Diem		Salary and Expense Allowance
		Days	Amount	Days	Amount	Days	Amount	
Robideaux, Joel C.	\$ 11,509	59	\$ 7,139	-	\$ -	-	\$ -	\$ 4,370
Romero, Errol A.	34,899	86	10,406	11	1,331	3	362	22,800
Salter, Joe	51,594	86	10,406	11	1,331	82	9,907	29,950
Scalise, Steve	36,590	86	10,406	11	1,331	17	2,053	22,800
Schneider, Matthew, III.	38,876	86	10,406	11	1,331	36	4,339	22,800
Schwegmann, Melinda B.	12,558	-	-	-	-	4	484	12,074
Shaw, B. L.	13,279	-	-	-	-	10	1,205	12,074
Shepherd, Derick D., Tynell	22,462	86	10,406	11	1,331	-	-	10,725
Smiley, M.J. "Mert", Jr.	23,067	86	10,406	11	1,331	5	605	10,725
Smith, Jack Donald	35,866	86	10,406	11	1,331	11	1,329	22,800
Smith, Jane H.	35,505	86	10,406	11	1,331	8	968	22,800
Smith, John R.	36,711	86	10,406	11	1,331	18	2,174	22,800
Smith, Gary L., Jr.	35,384	86	10,406	11	1,331	7	847	22,800
Sneed, Jennifer L.	11,767	-	-	-	-	-	-	11,767
St. Germain, Karen G.	23,430	86	10,406	11	1,331	8	968	10,725
Stelly, Victor T.	12,796	-	-	-	-	6	722	12,074
Strain, Michael	35,987	86	10,406	11	1,331	12	1,450	22,800
Swilling, Patrick	12,074	-	-	-	-	-	-	12,074
Thompson, Francis C.	39,365	86	10,406	11	1,331	40	4,828	22,800
Toomy, Joseph F.	35,141	86	10,406	11	1,331	5	604	22,800
Townsend, Thomas Taylor	35,867	86	10,406	11	1,331	11	1,330	22,800
Trahan, Donald "Don" M.	22,704	86	10,406	11	1,331	2	242	10,725
Triche, Warren J., Jr.	36,832	86	10,406	11	1,331	19	2,295	22,800
Tucker, James W.	36,226	86	10,406	11	1,331	14	1,689	22,800
Waddell, Wayne	35,020	86	10,406	11	1,331	4	483	22,800
Walker, Monica H.	36,713	86	10,406	11	1,331	18	2,176	22,800
Walsworth, Michael A.	35,021	86	10,406	11	1,331	4	484	22,800
White, Mack A. "Bodi", Jr.	22,704	86	10,406	11	1,331	2	242	10,725
Winston, Diane	39,001	86	10,406	11	1,331	37	4,464	22,800
Wooton, Ernest D.	35,019	86	10,406	11	1,331	4	482	22,800
Wright, Thomas D.	35,499	86	10,406	11	1,331	8	962	22,800
	\$ 3,862,148		\$ 1,084,039		\$ 138,424		\$ 202,968	\$ 2,436,717

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Joe R. Salter, Speaker of the House of Representatives
State of Louisiana

We have audited the financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2004 and have issued our report thereon dated November 3, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the House of Representatives, State of Louisiana's financial statements are free of material misstatement, we performed *tests of its compliance with certain provisions of laws, regulations, contracts and grants*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the House of Representatives, State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the House of Representatives' management, the Legislative Budgetary Control Council and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

November 3, 2004

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

*Independent Auditor's Comments on Resolution of
Prior Audit Findings*

June 30, 2004

There were no prior year audit findings for which the House of Representatives, State of Louisiana has not implemented the corrective action recommended.